

Message Text

LIMITED OFFICIAL USE

PAGE 01 MILAN 01713 191046Z

11

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 INR-07 NSAE-00 PA-01

USIA-06 PRS-01 SP-02 /030 W
----- 035397

R 190900Z SEP 75

FM AMCONSUL MILAN

TO SECSTATE WASHDC 4242

INFO AMEMBASSY ROME

LIMITED OFFICIAL USE MILAN1713

EE.O. 11652: N/A

TAGS: PFOR, PINT, IT

SUBJECT: NEW ITALIAN DAILY NEARS BIRTH

1. SUMMARY. MILAN'S MOST POWERFUL PUBLISHING HOUSE, MONDADORI, TOGETHER WITH OWNER OF NEWS WEEKLY ESPRESSO PLANS ISSUE NEW LEFT CENTER DAILY REPUBBLICA IN MID-JANUARY 1976. OWNERS CLAIM EXPECTATION TO MAKE MONEY. APPEARANCE OF REPUBBLICA MAY FURTHER DARKEN PROSPECTS FOR CORRIERE DELLA SERA ALREADY IN DEEP FINANCIAL TROUBLE AND PERHAPS BRIGHTEN OVER-ALL POLITICAL CLIMATE IN THIS AREA BUT UNLIKELY TO CONTRIBUTE TO BETTER PUBLIC ATTITUDE TOWARD US.

2. MONDADORI, WITH ABOUT A QUARTER OF TOTAL ITALIAN MARKET FOR BOOKS AND PERIODICALS PLUS MAIL ORDER BUSINESS RECENTLY ACQUIRED FROM ITT, IS MODEL PUBLISHING EFFICIENCY. VERTICALLY INTEGRATED FROM PAPER MILLS TO DOOR-TO-DOOR BOOK SALESMEN, MONDADORI'S 6000 EMPLOYEES ARE AMONG THE MOST PRODUCTIVE IN THE PRINTING TRADES. HIGH QUALITY COLOR PRINTING FOR FOREIGN (ESPECIALLY U.S.) CUSTOMERS AND CLOSE RELATIONS WITH TIME, NEWSWEEK, MCGRAW HILL, WESTERN, THE SIERRA CLUB AND READERS DIGEST, AMONG OTHERS, PROBABLY MAKE MONDADORI AS TECHNICALLY ADVANCED AND WELL MANAGED FINANCIALLY AS ANY PUBLISHER IN ITALY.

3. MONDADORI'S TOP MANAGEMENT BELIEVES THAT, WHILE CORRIERE,
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MILAN 01713 191046Z

GIORNO, GIORNALE AND TO LESSER EXTENT STAMPA AND 24 ORE

RE LOS NG THEIR SHIRTS, IT CAN BREAK EVEN OR EVEN MAKE MONEY WITH A NEW DAILY NAMED REPUBBLICA. TO BE PUBLISHED SIMULTANEOUSLY IN MILAN AND ROME IN TABLOID FORMAT, IT WILL BE DIRECTED BY EUGENIO SCALFARI, NOW DIRECTOR OF L'ESPRESSO, THE CENTER LEFT WEEKLY NEWS MAGAZINE RARELY FRIENDLY TO US. SINCE MONDADORI WAS OFFERED THE CORRIERE BEFORE CEFIS BANKROLLED RIZZOLI TO TAKE IT OVER, MONDADORI HAS A CLEAR PICTURE OF CORRIERE'S ACOSTS WHICH IT DESCRIBES AS HOPELESS. REPUBBLICA, STARTING FRESH WITH LATEST EQUIPMENT, NVPREVIOUS UNION CONTRACTS AND MODERN BUSINESS MANAGEMENT, EXPECTS ITS PRINTING COSTS TO BE HALF OF CORRIERE'S AND ITS STAFF TO BE ABOUT ONE QUARTER OF CORRIERE'S (50 COMPARED TO ALMOST 200). WHILE TRADE UNION RULES MAKE INTRODUCTION OF MODERN PRESSES AND COMPOSITION VIRTUALLY IMPOSSIBLE FOR ESTABLISHED DAILIES, RULE OUT STAFF REDUCTION AND HAVE TIED EDITORIAL POLICY HANDS AT CORRIERE, REPUBBLICA WOULD START WITH A CLEAN STATE. ADVERTISING IS ALREADY ASSURED, MONDADORI CLAIMS, FROM ITS IN-HOUSE ADVERTISING STAFF WHILE DISTRIBUTION IS READY TO ROLL THROUGH 1000 OF ITS OWN DISTRIBUTION POINTS SELECTED TO ASSURE VOLUME TO COVER COSTS IN ABOUT 15,000 NEWS STANDS.

4. REPUBBLICA INSISTS THAT EACH STAFF MEMBER SIGN A SEVERAL PAGE POLICY STATEMENT DEMANDING OBJECTIVITY AND INDEPENDENCE OF SUPERPOWERS WITH SPECIAL REFERENCE TO USSR.

5. SINCE BOTH SCALFARI'S ESPRESSO AND MONDADERIS WEEKLY PANORAMA EQUALLY ENERGETIC, LEFT OF CENTER AND HOSTILE TO US AND USSR, OUTLOOK IS NOT FOR PRO US LINE ALTHOUGH MONDADARI INSISTS IT WILL BE ANTI-SOVIET. EDITOR SCALFARI IS CLAIMED TO HAVE FULL POWER TO HIRE, FIRE AND EDIT STYLE, CONTENT AND HEADLINES. A SHARP CONTRAST WITH PIERO OTTONE AT CORRIERE. REPUBBLICA WILL HAVE NO CITY PAGE, NO CRIME OR SENSATIONALISM BUT AIM FOR MIDDLE UPPER LEVEL AUDIENCE WHICH PUBLISHERS BELIEVE BOUND TO GROW AS ITALY APPROACHES OTHER EC MEMBERS IN NEWSPAPER CONSUMPTION. THEY INTEND REPUBBLICA TO BE A NATIONAL DAILY UNLIKE CORRIERE OR STAMPA WHICH ARE LOCAL PAPERS WITH NATIONAL CIRCULATION.

6. ALTHOUGH RUMORS PERSIST THAT SELF-MADE PETROCHEMICAL POWER NINO ROVELLI OR OTHER BIG BUSINESS FIGURES LIKE PIRELLI ARE UNDER-

LIMITED OFFICIAL USE

PAGE 03 MILAN 01713 191046Z

WRITING HART OF REPUBBLICA, MONDADORI INSISTS THEY ARE OUT AND CARLO CARACCILO OTHER EQUAL PARTNER. CARACCILO IS GIANNI AGNELLI'S BROTHER IN-LAW, OWNER OF ESPRESSO. MONDADORI AND CARACCILO NOW CONSIDERING PUBLIC OFFERING STOCK AS ANOTHER INNOVATION, BUT MARKET OFFERS LITTLE ENCOURAGEMENT TODAY.

7. EDITORIAL STAFF SO FAR SIGNED UP REPORTEDLY EXCELLENT AND MONDADORI HOPEFUL OF RECRUITING CORRIERE'S UGO STILLE MOST RES-

PECTED OF ALL ITALIAN CORRESPONDANTS IN U.S. SHOULD THAT OCCUR,
CORRIERE WILL HAVE SUFFERED YET ANOTHER HARD BLOW.

8. SHOULD REPUBBLICA LIVE UP TO MONDADORI HOPES, MILAN NEWS-
PAPER AND POLITICAL CIRCLES SEE IT AS MAJOR DEVELOPMENT
IN ITALIAN MEDIA. WITH FINANCIAL DEFICIT OF CORRIERE,
MESSAGGERO AND GIORNALE INCREASINGLY DIFFICULT FOR CEFIS TO FINANCE,
(TOTALLING ABOUT \$38 MILLION THIS YEAR) WITH CORRIERE UNDER
ETTACK AS BEING PRO-COMMUNIST AND EDITOR TORN BETWEEN
POLICY PRESSURE OF STAFF AND OWNERS, ITS FUTURE IS INCREASINGLY
UNCERTAIN. RUMORS OF MAJOR COMMUNIST PARTY BACKED LOAN OR
PURCHASE OF MAJOR SHARE BY ATTILIO MONTI, INDUSTRIAL TYCOON IN
SUGAR INDUSTRY, TO ASSURE COVER FOR HIS INDUSTRIAL INTERESTS,
ARE MEASURE OF ITS PERMANENT CRISIS WHICH EMERGENCE OF SUCCESSFUL
REPUBBLICA COULD PUSH TO BREAKING POINT. PUBLISHERS HERE THINK
MONDADORI/CARACCIOLO ARE MAKING NOT UNREASONABLE GAMBLE THAT
CORRIERE, GIORNALE AND GIORNO (FINANCED BY ENI) MAY ONE OR ALL
GO UNDER WITH A CONSEQUENT SHIFT OF READERS TO REPUBBLICA. WERE
IL GIORNALE ABLE TO SURVIVE, DEMOCRATIC SPECTRUM MIGHT ONCE AGAIN
BE REPRESENTED BY INDEPENDENT MAJOR DAILIES WITH REPUBBLICA
CENTER LEFT AND GIORNALE CENTER RIGHT.
SUCH A DEVELOPMENT WOULD IMPROVE OUTLOOK FOR ITALIAN
DEMOCRACY AT LEAST IN THIS PART OF ITALY ALTHOUGH REPUBBLICA
UNLIKELY MAKE VERY PLEASANT READING FOR US.FINA

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: THE PRESS, ESTABLISHMENT OF OFFICES, PUBLISHING SERVICES
Control Number: n/a
Copy: SINGLE
Draft Date: 19 SEP 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975MILAN01713
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750325-0548
From: MILAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750936/aaaabfgp.tel
Line Count: 139
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 06 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <06 JUN 2003 by ifshinsr>; APPROVED <09 JUN 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: NEW ITALIAN DAILY NEARS BIRTH
TAGS: PFOR, PINT, IT
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006